

3400 CENTRE SQUARE WEST
1500 MARKET STREET
PHILADELPHIA, PA. 19102
(215) 972-3400

38 SQUARE DE MEEUS, BTE 1
1040 BRUSSELS, BELGIUM
(021) 511 80 40

PRINCES HOUSE
95 GRESHAM STREET
LONDON, EC2V 7NA, ENGLAND
01. 606. 8598

LAW OFFICES OF
DECHERT PRICE & RHOADS

888 17th STREET, N. W.
WASHINGTON, D. C. 20006

TELEX 84 5324 • BARDEF

(202) 872-8600

RECORDATION NO. 9630-H

ELEVEN BROADWAY
NEW YORK, N. Y. 10004
Files 1425 (212) 425-3510

SUITE 1780
ENERGY CENTER ONE
17 SEVENTEENTH STREET
DENVER, COLORADO 80202
(303) 623-1777

800 NORTH THIRD STREET
HARRISBURG, PA. 17102
(717) 233-7947

February 11, 1981

Agatha L. Merganovich, Secretary
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

No. 1-042A229
Date FEB 11 1981
Fee \$ 10.00
ICC Washington, D. C.

Dear Secretary Merganovich:

Pursuant to 49 U.S.C. §11303 and the Commission's rules and regulations, I enclose for filing and recordation two originals and five copies of the following document:

First Amendment to Loan Modification and
Moratorium Agreement dated February 10, 1981
by and between American Security Bank, N.A. and
Girard Leasing Corporation.

This document relates to boxcars subject to a Loan Modification and Moratorium Agreement by and between American Security Bank, N.A. (Lender) and Girard Leasing Company (Debtor) dated October 17, 1980, revised as of October 28, 1980, and filed with the Commission October 30, 1980 and assigned Recordation Number 9630-C.

The names and addresses of the parties to the aforementioned document to be filed are:

(a) Lender:

American Security Bank, N.A.
1501 Pennsylvania Avenue, N.W.
Washington, D.C. 20013

(b) Debtor:

Girard Leasing Corporation
3 Girard Plaza
Philadelphia, PA 19101

RECEIVED
FEB 11 3 55 PM '81
I.C.C.
FEE OPERATION BR.

*Counterpart -
Kristine E. Wilhelms*

Agatha L. Merganovich, Secretary
February 11, 1981
Page Two

The First Amendment to the Loan Modification and Moratorium Agreement amends certain terms and conditions in light of the First Supplement to the Management and Remarketing Agreement between Debtor and North American Car Corporation (NAC) dated October 14, 1980, and a Utilization Agreement between NAC and the Atchison, Topeka and Santa Fe Railway Company. Both the First Supplement and the Utilization Agreement are attached to the First Amendment to the Loan Modification and Moratorium Agreement and marked as Exhibit "A". The First Amendment to the Loan Modification and Moratorium Agreement relates to the following boxcars:

Ninety-four (94) 50'6" 70-ton XM rated boxcars manufactured by Southern Iron and Equipment Co., a Division of Evans Transportation Company, and bearing Road Numbers MNJ 120941 through MNJ 120984; NSL 155100 through NSL 155124; and NSL 155125 through 155149 (each number inclusive).

Please file the First Amendment to the Loan Modification and Moratorium Agreement, cross-indexing it under the names of the Lender and Debtor. A check is enclosed for \$10.00 as prescribed pursuant to 49 C.F.R. §1116.3(d).

Please stamp all copies of the First Amendment to the Loan Modification and Moratorium Agreement and the attached copies of the transmittal letter with your official recording stamp. You will wish to retain one original and one copy of each document and the original of the transmittal letter for your file. Please return the duplicate original and the remaining copies of the First Amendment to the Loan Modification and Moratorium Agreement and the transmittal letter to the bearer of this letter.

Sincerely,



Robert P. vom Eigen

RPvE:Dn

Encls:

Interstate Commerce Commission
Washington, D.C. 20423

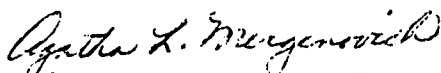
OFFICE OF THE SECRETARY

Robert P. Vom Eigen
Dechert Price & Rhoads
888 17th Street, N. W.
Washington, D. C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 2/11/81 at 4:00PM, and assigned re-recording number(s) 9630-H

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

FEB 11 1981 -4 00 PM

INTERSTATE COMMERCE COMMISSION

FIRST AMENDMENT TO LOAN MODIFICATION
AND MORATORIUM AGREEMENT

This is a FIRST AMENDMENT ("First Amendment") dated as of February 10, 1981 to a LOAN MODIFICATION AND MORATORIUM AGREEMENT ("Loan Modification Agreement") dated as of October 17, 1980, revised as of October 28, 1980, filed with the Interstate Commerce Commission on October 30, 1980 and assigned recordation number 9360-C by and between AMERICAN SECURITY BANK, N.A. a national banking association with principal offices located at 1501 Pennsylvania Avenue, N. W, Washington, D.C. 20013 ("Lender") and GIRARD LEASING CORPORATION, a Pennsylvania corporation with principal offices located at Three Girard Plaza, Philadelphia, Pennsylvania 19101 ("Debtor").

BACKGROUND

A. In accordance with the authority and approval of Lender, Debtor entered into a Management and Remarketing Agreement (the "Management Agreement") dated October 14, 1980 by and between Debtor and North American Car Corporation ("NAC") and an Equipment Lease Termination Agreement (the "Termination Agreement") dated as of October 16, 1980 by and between Debtor and National Railway Utilization Corporation. Pursuant to the Termination Agreement and the Management Agreement, NAC has obtained control of ninety-two (92) units of the ninety-four 70 ton XM rated boxcars (the "Equipment") referred to in the Loan Modification Agreement.

B. NAC has identified a utilization opportunity for the Equipment with the Atchison, Topeka and Santa Fe Railway Company (the "Santa Fe"). Debtor and NAC have entered into a First Supplement to the Management Agreement (the "First Supplement") dated as of January 27, 1981 which sets forth the terms and conditions of the Santa Fe utilization. A true and correct copy of the First Supplement, which includes as an exhibit the utilization agreement for the Equipment between NAC and the Santa Fe, is attached hereto and marked as Exhibit "A".

C. The Loan Modification Agreement includes certain terms and conditions which Lender and Debtor agree should be amended in light of the First Supplement.

TERMS

NOW THEREFORE, Lender and Debtor intending to be legally bound hereby, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

1. Approval of the Santa Fe Utilization. Lender approves of the Santa Fe utilization of the Equipment as set forth in the First Supplement.

2. Termination of Loan Modification Agreement on March 31, 1982.

2.1 In the event that Debtor declines the opportunity to convert the Notes to a Term Loan as set forth in paragraph 6 of the Loan Modification Agreement, Debtor, on March 31, 1982, may deliver and surrender possession to Lender of the units of Equipment subject to the Santa Fe utilization at a storage facility or facilities within two-hundred (200) miles of a Santa Fe interchange in the States of Illinois or Missouri or at such other storage facilities as are satisfactory to the Debtor and Lender.

2.2 As to units subject to the Santa Fe utilization which have not been returned by NAC to Debtor on or before March 31, 1982, Debtor shall pay to Lender the Unit Principal and Interest (as defined in Section 4.5.4 of the Loan Modification Agreement) due on such unit as of March 31, 1982 together with interest calculated in accordance with Section 6.1 of the Loan Modification Agreement from March 31, 1982 to the date of payment which shall not be later than June 30, 1982. If NAC returns a unit to Debtor as set forth in Section 12 of the First Supplement within 90 days after March 31, 1982, however, and Lender shall not have theretofore entered into an agreement in writing with a third party for long term lease or permanent disposition of the Equipment, a copy of such agreement having been previously delivered by Lender to Debtor, Debtor shall deliver the unit to Lender and

pay interest to Lender calculated in accordance with Section 6.1 of the Loan Modification Agreement on the balance outstanding on such unit from March 31, 1982 to the date of delivery of the unit to Lender at storage facilities as set forth in Section 2.1 above. Delivery shall be at the sole expense of Debtor.

2.3 If Lender enters into a management agreement with NAC for the Equipment and Debtor has not theretofore accepted the return of units which had not been delivered by NAC to Debtor prior to March 31, 1982, Debtor shall pay to Lender within 10 days of the receipt of notice of the execution of a management agreement between Lender and NAC the Unit Principal and Interest on each such unit not yet delivered by NAC to Debtor together with interest after March 31, 1982 up to the date of the management agreement calculated in accordance with Section 6.1 of the Loan Modification Agreement.

3. Effectiveness of Loan Modification Agreement.

Except as expressly set forth herein, all terms and conditions of the Loan Modification Agreement remain in full force and effect and unchanged.

4. Annulment of First Amendment. This First Amendment shall become null and void if Debtor in its sole discretion does not go forward with the Santa Fe utilization.

GIRARD LEASING CORPORATION

By Richard J. McQuinn
President

AMERICAN SECURITY BANK N.A.

By Charles E. Lewis
Vice President

DISTRICT OF COLUMBIA : ss.

On this 11th day of February, 1981 before me personally appeared Charles E. Lewis, to me personally known, who being by me duly sworn, says that he is a Vice President of American Security Bank, N.A., that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

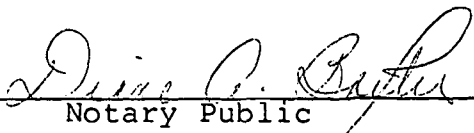
Ella Kate Kliese
Notary Public

My Commission Expires: 1-31-84

[Notarial Seal]

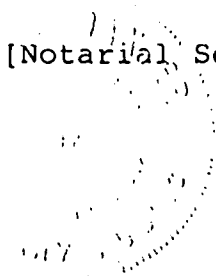
COMMONWEALTH OF PENNSYLVANIA :
: ss.
COUNTY OF PHILADELPHIA :

On this 10th day of February, 1981, before me personally appeared Richard J. McConnell, to me personally known, who being by me duly sworn, says that he is the President of Girard Leasing Corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public

[Notarial Seal]



My Commission Expires: AUGUST 31, 1981

FIRST SUPPLEMENT TO MANAGEMENT AND
REMARKETING AGREEMENT

THIS IS A FIRST SUPPLEMENT dated as of January 27, 1981 to a MANAGEMENT AND REMARKETING AGREEMENT dated as of October 14, 1980 by and between NORTH AMERICAN CAR CORPORATION ("NAC") and GIRARD LEASING CORPORATION ("GLC").

BACKGROUND

A. In accordance with the Management and Remarketing Agreement (the "Agreement"), NAC has assumed responsibility for and is in the process of recovering from National Railway Utilization Corporation the ninety-four 70-ton XM rated boxcars (the "Equipment") referred to therein.

B. The Agreement provides for the development by NAC of both short and long-term utilization opportunities for the Equipment.

C. NAC has proposed to GLC that the Equipment be placed for a term of months ending December 31, 1981 with the Atchison, Topeka and Santa Fe Railway Company (the "Santa Fe").

D. GLC is in favor of NAC entering into an agreement with the Santa Fe for utilization of the Equipment subject to NAC meeting the following terms and conditions.

TERMS

NOW THEREFORE, the parties hereto, intending to legally bound, hereby agree to supplement the Agreement as follows:

1. The Utilization Agreement. The Equipment shall be placed by NAC with the Santa Fe subject to the terms and conditions of the undated agreement (the "Utilization Agreement") by and between NAC and the Santa Fe in the form attached hereto and marked as Exhibit "A."

2. Preparation of the Equipment and Delivery to the Santa Fe. NAC shall, at GLC's expense, affix, or see to the affixation by the Santa Fe (depending upon which of NAC or the Santa Fe is lower in cost) of, the Santa Fe's markings to the Equipment and otherwise perform such maintenance as is necessary for each unit of the Equipment to meet AAR Interchange requirements. NAC shall forthwith deliver to GLC Equipment inspection reports and estimates for the repairing and remarking of the Equipment on a unit-by-unit basis necessary for it to meet AAR Interchange requirements. Repair and remarking of the Equipment shall not commence until NAC has received GLC's written approval of the estimates. As additional units are recovered, NAC shall deliver updated estimates of preparation expenses and seek GLC's written

approval thereof. Completion of the Equipment's preparation and movement to the Santa Fe at Chicago, Illinois shall occur on or before February 28, 1981 or such other date as shall be approved in writing by GLC. It is anticipated that movement charges shall be at the rate of \$1.22 per mile while the Equipment is on Conrail lines and \$.70 per mile while on the Chessie System.

3. Utilization of the Equipment. It is anticipated that the Santa Fe shall load the Equipment with shipments of grain bound for Mexico. Although there is no guaranty of actual loadings, it is anticipated that the Equipment shall have at least one loading into Mexico and might remain in Mexico for a substantial portion of the term of the Utilization Agreement. GLC hereby authorizes NAC to permit the Equipment to enter Mexico.

4. Revenue Generation. For such time as the Equipment is on the Santa Fe's lines, there shall be no per diem or any other compensation to GLC. At the same time, there will be no storage charges assessed by the Santa Fe. While off-line, the Equipment shall earn normal car hire revenue in accordance with the Interstate Commerce Commission's Ex Parte number 334 and the Equipment's UMLER value provided, however that for such time, if any, that the Equipment is in

Mexico, there is a possibility that said revenue may be reduced by a ten (10%) per cent Mexican value - added tax.

5. Operating Expenses. GLC shall be responsible for all maintenance and running repair costs incurred for the Equipment.

6. Management Fee. GLC shall pay to NAC a management fee of \$2.30 per unit of Equipment for each day that the unit is generating revenue, such fee to be calculated by dividing the actual number of hours of use by twenty-four and multiplying the quotient by \$2.30, if GLC elects the guaranty of recovery of start-up expenses set forth in Section 7 below. Such election, to become effective, shall be made by GLC in writing delivered to NAC on or before the later of March 31, 1981 or receipt by GLC of all Equipment inspection reports and repair and revoking estimates referred to in Section 2 hereof as well as written confirmation of the per mile estimated movement charges set forth in NAC's January 12, 1981 letter to GLC. If GLC does not elect the guaranty of recovery of start-up expenses, GLC shall pay to NAC a management fee of \$1.50 per unit of Equipment for each day that the unit is generating revenue, calculated as aforesaid. Should GLC elect the guaranty of recovery of start-up expenses but subsequently direct NAC to terminate the Utilization

Agreement prior to six months after at least sixty (60) units of the Equipment becoming subject to the Utilization Agreement, whereupon the guaranty shall become null and void, the management fee shall revert, retroactively, from \$2.30 per unit of Equipment for each day that the unit is generating revenue to \$1.50 per unit of Equipment for each day that the unit is generating revenue with all excess fees to be repaid by NAC to GLC within ten (10) days of said early termination. In all events, without regard to whether GLC elects the guaranty of recovery of start-up expenses, no management fee shall accrue or be paid on car hire revenue generated subsequent to the termination date of the Utilization Agreement.

7. Guaranty of Recovery of Start-Up Expenses. NAC guarantees that should GLC not receive actual payment of Equipment revenue from NAC within six months from the receipt by the Santa Fe of sixty (60) units of the Equipment at its Chicago interchange point and all such units becoming subject to the Utilization Agreement, in an amount equal to at least (i) the cost of all Equipment repairs (both preparatory and running), remarking and movement to the Santa Fe incurred hereunder or under the Utilization Agreement (ii) all management fees earned by NAC hereunder together with (iii) interest on the outstanding daily balance of all such expenses and fees from the date incurred to the date recovered at the

average daily prime rate of Girard Bank for the period January 1, 1981 through June 30, 1981, inclusive, NAC shall make a payment to GLC within 30 days after the end of said six month period in such amount necessary to cause GLC to recover all such expenses, fees and interest in full. This guaranty of recovery of start-up expenses shall become null and void, however, if GLC exercises its right under Section 9 hereof to instruct NAC to terminate the Utilization Agreement as of an effective date prior to the six months of utilization referred to in this Section having occurred.

8. Retention by NAC of Revenue Received After Guaranty Payment to GLC. To the extent that revenue earned on the Equipment but not received by GLC during the six month guaranty of recovery of start-up expenses period is actually received by NAC from the Santa Fe within one hundred twenty (120) days after the end of the six month guaranty period, NAC shall be entitled to retain such revenue up to the amount of the guaranty payment theretofore paid by NAC to GLC.

9. Early Termination on Account of Insufficient Utilization. GLC may direct NAC to terminate the Utilization Agreement should the Equipment not be off-line and generating revenue for GLC during a minimum of 50 per cent of any month after receipt by NAC of the first monthly report required of

the Santa Fe under the Utilization Agreement. Should GLC direct NAC to terminate the Utilization Agreement, NAC shall be responsible to pay to GLC all off-line car hire earned and paid prior to the return of the Equipment to the Santa Fe lines. Movement of the Equipment shall be at no cost to GLC for a reasonable distance. Thereafter, movement shall be at a rate not to exceed the then lowest applicable AAR movement cost (presently Code of Car Service Rules - Freight #5). The Equipment shall be returned by the Santa Fe at a Santa Fe interchange point in the State of Illinois. GLC shall bear the cost of movement from interchange to storage.

10. Reports. NAC shall provide to GLC monthly reports commencing not later than 120 days after the delivery of the Equipment to the Santa Fe which shall identify for each unit of the Equipment the following: total hours off-line for each month, total miles off-line for each month, total off-line per diem earned, total off-line per-diem turned over by the Santa Fe to NAC, days outside the continental United States, and itemization of running repairs actually paid. At GLC's request, NAC shall audit (not more than two times during the term of the Utilization Agreement) the Santa Fe's records and certify to GLC that they are accurate and correct. NAC shall continue to be responsible

for all maintenance records for the Equipment and assure itself and GLC that maintenance is being properly performed.

11. Termination; Return of Equipment; Survival of NAC Obligations. The Utilization Agreement and this First Supplement shall terminate, unless earlier terminated, on December 31, 1981. The Equipment shall be returned to the possession of NAC at a Santa Fe interchange point in the State of Illinois and will be stored at the closest and least expensive facility then available to be approved in writing by GLC. The Utilization Agreement may be terminated at GLC's election at any time upon the failure of NAC to remit payments or monthly reports to GLC or to perform any other obligation hereunder, under the Utilization Agreement or under the Agreement. Without regard to "termination" of the Utilization Agreement, all obligations or responsibilities of either NAC or GLC to the other existing as of or prior to such termination shall survive until fully satisfied or discharged.

12. Guaranty of Return of Equipment or Payment Therefor by NAC. NAC hereby guarantees payment to GLC for each unit of Equipment not returned to GLC within 90 days of the termination of the Utilization Agreement in an amount equal to eighty-five (85%) percent of such unit's original purchase price. Upon receipt of payment under this Section, GLC shall quit claim its interest in such unit to NAC or

NAC's nominee. Should NAC locate a unit of Equipment for which payment has been made under this Section 12 and deliver it to GLC in a condition meeting then applicable AAR interchange requirements at a Santa Fe interchange point in the State of Illinois, or such other Santa Fe interchange point previously selected by GLC, to which the other units of Equipment were delivered, all prior to one hundred eighty days after the termination date of the Utilization Agreement, NAC may then tender such unit and a quit claim bill of sale to GLC in exchange for the payment previously made. NAC shall provide twenty (20) days' written notice of the date of the Unit's delivery to GLC. GLC shall make such repayment to NAC at the time of delivery. Should a unit of Equipment be so located by NAC, it shall so notify GLC even if NAC does not intend to tender it in exchange for repayment. GLC shall have the option to demand return of said unit in exchange for repayment within thirty (30) days of receipt of written notice from NAC that the unit has been located. NAC further guarantees that should it knowingly, or as a result of that which it should have known, permit any lien or encumbrance to be placed on the Equipment during the term of the Utilization Agreement, whether in the United States or in Mexico, such lien or encumbrance shall be satisfied in full prior to the return of the Equipment. Should a lien or encumbrance

otherwise be placed on the Equipment prior to its return to GLC, NAC shall take all appropriate action against the Santa Fe approved by GLC, including the filing and diligent prosecution of a lawsuit or lawsuits in state or federal court if the liens or encumbrances exceed in the aggregate \$10,000 in amount claimed, to force the Santa Fe to see to its or their, as the case may be, satisfaction and removal. If the liens and encumbrances exceed in the aggregate \$10,000 but are less than \$100,000, NAC and GLC shall share equally the costs of suit and attorneys' fees provided, however, that NAC's maximum obligation for counsel fees shall not exceed \$10,000. If the liens and encumbrances equal or exceed in the aggregate \$100,000, NAC shall be solely responsible for all costs of suit and attorneys' fees. All revenues earned by a unit after termination for which a payment is made hereunder shall be the property of the party ultimately retaining the unit. To the extent that an insurance payment is received by either NAC or GLC for a missing unit, the proceeds of insurance shall be the property of GLC provided that GLC reimburses NAC for any guaranty payment under this Section theretofore made.

13. Release of GLC From Obligation To Return Equipment Guaranty Payment. The obligation of GLC to repay to NAC the guaranty payment set forth in Section 12, above,

shall become null and void, and GLC shall thereby be released therefrom, upon (i) GLC quitclaiming in favor of American Security Bank N.A. ("American Security") all of its interest in those units of the Equipment (the "Returned Units") which were theretofore returned by NAC to GLC and (ii) American Security entering into a management agreement with NAC for the Returned Units.

14. Prompt Payment; Consent To Foreign Jurisdiction.

NAC shall make all payments due to GLC hereunder and under the Utilization Agreement, including but not limited to the payments under Sections 7 and 12 hereof, no later than the days set forth hereunder. NAC hereby consents to the jurisdiction of the United States District Court for the Eastern District of Pennsylvania to adjudicate any claims against NAC asserted hereunder by GLC or its lenders. Any such action may include a claim for costs of suit and reasonable attorneys' fees. GLC shall make all payments due to NAC hereunder when due. GLC hereby amounts to the jurisdiction of the United States District Court for the Northern District of Illinois to adjudicate any claims against GLC asserted hereunder by NAC. Any such action may include costs of collection and reasonable attorneys' fees.

15. Extension of Management and Remarketing Agreement.

The Agreement is hereby continued beyond its original termination date of September 30, 1981 up to and including December 31, 1981 in order to bring it in conformance with the termination date of the Utilization Agreement provided, however, that if the Utilization Agreement is terminated prior to September 30, 1981, the termination date of the Management and Remarketing Agreement shall revert to September 30, 1981.

16. Effectiveness of Management and Remarketing Agreement. Except as expressly set forth herein, all terms and conditions of the Agreement remain in full force and effect and unchanged.

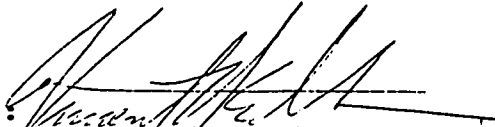
17. Effectiveness of First Supplement. This First Settlement shall not become effective until executed by NAC and GLC and approved by GLC's lender - American Security Bank, N.A.

18. Conflict Between Agreements. This First Supplement shall control the relationship between NAC and GLC without regard to any conflicts or inconsistencies which may exist between NAC's obligations hereunder and NAC's rights under the Utilization Agreement.

19. Authority. NAC hereby represents and warrants to GLC that all necessary corporate authority for it to

undertake the obligations set forth in this First Supplement
has been obtained and is continuing as of the date hereof.

NORTH AMERICAN CAR CORPORATION

By: 
Title *Director Financial Marketing*

GIRARD LEASING CORPORATION

By: _____
Title

Agreed to:

American Security Bank, N.A.

By: _____
Title

This agreement, by and between The Atchison, Topeka and Santa Fe Railway Company (hereinafter "Lessee") and North American Car Company (hereinafter "Lessor"), witnesseth:

WHEREAS, Lessor is managing agent for 297 50'6" 70-ton class XM boxcars (hereinafter "the boxcars"), in three groups, which are identified by number and classified in groups in Appendix A hereto; and

WHEREAS, Lessee desires to use the boxcars in its common carrier railroad business, pursuant to the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the mutual undertakings of the parties hereto, as set forth herein, Lessee and Lessor agree as follows:

1. Delivery and Utilization of The Boxcars

(a) Lessor and Lessee understand that the Chesapeake and Ohio Railway Company and the Baltimore and Ohio Railroad Company are agreeable to transportation of certain of the boxcars from their current storage location of Niagara Falls, New York to Lessee's Corwith Yard in Chicago at the rate of 70¢ per car per mile. Notwithstanding the provisions of Section 10 hereof, Lessor may terminate this agreement upon five days' prior written notice if transportation of the boxcars from Niagara Falls to Chicago cannot be obtained at said rate.

(b) On or after January 1, 1981, Lessor shall, at its sole expense, deliver the boxcars to Lessee at Lessee's Corwith Yard in Chicago. The boxcars shall be delivered to

Lessee in proper operating condition. Lessee may reject any defective boxcar tendered by Lessor. If any boxcar is rejected by Lessee, Lessor may either repair the boxcar and return it to Lessee or substitute another boxcar.

(c) Lessee shall use the boxcars in interline service as part of its general freight car fleet for a period of one year following the date the last of the boxcars is delivered to Lessee in accordance with subsection (a), above. Lessee agrees to exercise its best efforts toward keeping the boxcars off its own railroad lines in interline service for at least 180 days during the term of this agreement.

2. Compensation

(a) As compensation for its use of the boxcars, Lessee shall pay to Lessor a sum equivalent to the full amount of car hire revenue (per diem or mileage charges) earned by the boxcars while off Lessee's lines, including car hire revenue earned but not paid because of the using railroad's default. Lessee shall not be responsible for any payments whatsoever while the boxcars are physically located on Lessee's lines and are carried in Lessee's accounts.

(b) Lessor and Lessee understand that all car hire revenue from Ferrocarriles Nacionales de Mexico and its railroad subsidiaries (Ferrocarril del Pacifico, Ferrocarril Chihuahua al Pacifico, Ferrocarril Sonora-Baja California, and Ferrocarriles Unidos del Sureste) will be paid to Lessee in accordance with Association of American Railroads Circular No. OT-10 Code of Car

Hire Rules, Rule #1, Paragraph B(1). Lessor and Lessee agree that a sum equivalent to said revenue, minus any incremental addition to cover taxes as provided by said Rule #1, shall be paid by Lessee to Lessor with respect to time periods during which any of the boxcars is in Mexico; provided, however, that Lessee may deduct value-added taxes imposed upon such use from such payments.

3. Foreign Use Restrictions

Lessee shall not allow any boxcar to be used outside the United States for more than 180 days during the term of this agreement. Lessor's sole remedy for breach of this Section 3 shall be termination pursuant to Section 10 hereof.

4. Reports

Lessee, at its sole cost and expense, shall provide monthly reports. (on a calendar month basis) to Lessor describing its use of the boxcars. The first report shall be delivered to Lessor within 90 days of delivery of the last boxcar to Lessee, with succeeding reports to be delivered at monthly intervals. Each report shall include, for each boxcar, the following information:

- (a) total hours off Lessee's lines
- (b) total miles off Lessee's lines
- (c) total car hire revenue earned
- (d) days used in foreign nations
- (e) itemization of running repairs and charges

5. Audit

Lessor may, at its sole cost and expense, inspect and audit the accounting records of Lessee insofar as they pertain

to the boxcars during normal business hours upon reasonable advance notice to Lessee.

6. Equipment Registration

Lessee shall register the boxcars as Lessee's equipment in The Official Railway Equipment Register and in the AAR UMLER file.

7. Equipment Maintenance

Lessor shall be responsible for normal maintenance of the boxcars during the term of this agreement, including running repairs. Lessee may bill to Lessor the cost of such normal maintenance, and Lessor agrees to pay such bills within 90 days of presentation. Lessee shall maintain records pertaining to maintenance of the boxcars, which records may be inspected by Lessee during normal business hours upon reasonable advance notice.

8. Destroyed or Damaged Boxcars

Should any of the boxcars be destroyed during the term of this agreement, Lessee's rights and obligations hereunder with respect thereto shall immediately cease and Lessee shall, within thirty days, pay Lessor a settlement value in accordance with Paragraph 107 of the AAR Interchange Rules field manual, unless such damage is the responsibility of Lessor under Section 9(a) hereof. Should any of the boxcars be damaged during the term of this agreement to the extent that running repairs would not enable its return to service, Lessee shall restore such boxcar to its prior condition, at its sole expense, unless such damage is the responsibility of Lessor under Section 9(a) hereof. Lessee shall

determine, in its sole discretion, whether any disabled boxcar has been "destroyed" or "damaged" within the meaning of this Section 8.

9. Indemnity

(a) Lessor agrees to indemnify and save harmless Lessee from and against any and all judgments, claims and demands for loss or damage to property or injury to or death of all persons, including without limitation employees, officers and agents of Lessor and Lessee, when such loss or damage, injury or death results from the sole negligence of Lessor or the failure of or defects in any of the boxcars; provided, however, that Lessor shall not be responsible for defective repairs by Lessee performed upon damaged boxcars pursuant to Section 8 hereof.

(b) Lessee agrees to indemnify and save harmless Lessor from and against any and all judgments, claims and demands for loss or damage to property or injury to or death of persons arising out of operation by Lessee of the boxcars hereunder, except when such loss or damage, injury or death results from the sole negligence of Lessor or the failure of or defect in any of the boxcars, in which case Lessor shall indemnify Lessee pursuant to subsection 9(a), above.

10. Termination

This agreement shall terminate on December 31, 1981; provided, however, that Lessor, after receipt of the first monthly report required by Section 4, may terminate the agreement upon 15 days' prior written notice as to any of the three groups

of boxcars if the boxcars in that group have not been earning car hire revenue off Lessee's lines at least half the time during any month, or if any boxcar in that group has been used outside the United States for more than 180 days during the term of this agreement in violation of Section 3 hereof. Upon termination of this agreement as to any group of boxcars, Lessee shall remove the boxcars in that group from its general freight car fleet, return the boxcars in that group to Lessor at a mutually agreed upon interchange point on Lessee's railroad lines within 15 days, and remove the boxcars in that group from The Official Railway Equipment Register and from the AAR UMLER file. Lessee agrees to store until December 31, 1981, without charge, boxcars included in a group as to which this agreement has been terminated by reason of Lessee's violation of Section 3 hereof.

11. Notices

Notices and reports shall be deemed delivered when deposited with the United States Postal Service or its successor, first-class postage prepaid, properly addressed to the other party as follows:

Lessor: Mr. D. P. Valentine
 General Superintendent--Transportation
 The Atchison, Topeka and Santa Fe Ry. Co.
 80 East Jackson Boulevard
 Chicago, Illinois 60604

Lessee:

IN WITNESS WHEREOF, the parties hereto have executed
this agreement on the _____ day of December, 1980.

The Atchison, Topeka and Santa
Fe Railway Company

By *D. G. Ruegg*

North American Car Corporation,
as Managing Agent for

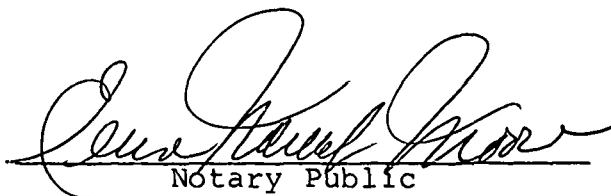
By *James Conington*

AFFIDAVIT

District of Columbia

:
: SS.
:

The undersigned, a Notary Public in and for the
aforesaid District, hereby certifies that the foregoing
First Amendment to Loan Modification and Moratorium Agreement
has been compared with the original and is a true and correct
copy.


Notary Public

[Notarial Seal]

My Commission Expires:

Dated: February , 1981

MY COMMISSION EXPIRES 1/14/86